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DEPT FOR INL, INL/AAE (J.LYLE) AND EUR/AGS (Y.SAINT-ANDRE)
DEA FOR OILS AND OFFICE OF DIVERSION CONTROL
DOJ FOR OIA, AFMLS, AND NDDS
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SUBJECT: AUSTRIA: 2006-2007 INTERNATIONAL NARCOTICS CONTROL
STRATEGY REPORT (INSCR) - PART 1

REF: STATE 155088

¶1. Per reftel, Post is submitting Part I of the 2006-2007 International Narcotics Control Strategy Report (INSCR) on Drugs and Chemical Control. Post will provide updates as they become available. Embassy POC for the INCSR Part I is Economic-Political Officer Dayna R. Robison, office phone: 43-1-31339-2196 and email: RobisonDR(at sign)state.gov. This text was also sent by email to the Department on November 17, ¶2006.

¶2. Post emailed INCSR Part II on Financial Crimes and Money Laundering to the Department on November 2, 2006.

Part I: Summary

¶3. Austria is a transit country for drug trafficking into Western Europe due to its position along the Balkan and other, major trans-European routes. Foreign criminal groups from Turkey, the Western Balkans, Eastern Europe, West Africa (Nigeria), and Latin America dominate organized narcotics trafficking in Austria. Trafficking by Austrian citizens remains insignificant. Austria is not a drug-producing country. The authorities reported a slight increase in indoor cannabis cultivation for personal use, but the amounts are low by international comparison.

¶4. Drug use in Austria increased slightly, but remains below the European Union average. Austrian health experts and government authorities do not consider it to be a severe health problem. Studies indicate that the average age of Austrian drug users is decreasing. According to health and law enforcement officials, abuse of drug substitution medication (e.g. retarding morphines, methadone, and buprenorphine) is increasing. The number of drug users in Austria is stable. Authorities estimate that there are between 15,000 to 20,000 drug users, or fewer than two addicts per 1,000 inhabitants. The lifetime prevalence of drug abuse by Austrian citizens, primarily of cannabis, also remained stable at 20 to 25 percent.

¶5. International cooperation, particularly with U.S. law enforcement authorities, continued to be excellent during 2006, and resulted in several significant domestic and multinational seizures. From January through July 2006,

Austria held the Presidency of the European Union, and made the fight against organized crime a central theme. The Austrian Presidency hosted President Bush, U.S. Attorney General Alberto Gonzales, and other senior U.S. law enforcement officials for talks on fighting international organized crime and corruption. In May 2006, Austria convened a workshop of international experts to discuss policing along the Balkan drug route. Austria also continued efforts to intensify international police cooperation within the "Salzburg Forum," a meeting of regional interior ministers, and within the European Union's Central Asian Border Security Initiative (CABSI).

¶6. In October 2006, Austria held national parliamentary elections. As of mid-November 2006, Austria was still in the process of forming the new government. The country's drug policy experts, however, do not anticipate any major shifts in the government's overall drug policies or in cooperation with the U.S.

¶7. Austria is a party to the 1971 and 1988 UN Drug Conventions.

Part II: Status of Country

¶8. The drug situation in Austria did not change significantly during 2006. As of October 2006, the number of drug-related deaths*which typically fluctuates between 100 and 150 deaths per year*totalled 191.

¶9. The number of drug deaths from mixed intoxication continues to rise. The most recent statistics for 2005 show

a 2.68 percent increase in the number of charges Austrian law enforcement authorities have filed for violation of the Austrian Narcotics Act, with a total of 25,892 offenses. This figure includes 25,041 criminal offenses involving narcotic drugs and 848 for psychotropic drugs, and three other offenses. The number of individuals charged under the Austrian Narcotics Act also rose 1.38 percent to 21,335 persons. The Austrian Ministry of Interior investigated 164 cases involving precursor chemicals in 2005, an increase of 36 cases compared to 2004.

¶10. Experts estimate that the number of conventional illicit drug users remained stable in 2006 at 15,000 to 20,000, or roughly 0.25 percent of the population. The number of users of MDMA (ecstasy) remained largely stable in 2005. Usage of amphetamines rose during the same period as these substances became increasingly available in non-urban areas. According to a 2005 study, which the Health Ministry commissioned, approximately one fifth of respondents admitted to consumption of an illegal substance. The respondents most often cited use of cannabis, with ecstasy and amphetamines in second and third place. Among young adults (ages 19-29), about 25 percent admitted "some experience" with cannabis at least once in their lifetime. According to the study, 2-4 percent of this age group had already used cocaine, amphetamines, and ecstasy, while three percent had experience with synthetic drugs. Austria, as a member of the European Monitoring Center for Drugs and Drug Addiction, undertook a study in 2006, which confirmed that problem drug use is increasing among 15 to 24 year-olds. (Comment: Post anticipates updating the above paragraph in late November or early December 2006, when the new figures become available from the Ministry of Health. End Comment.)

Part III: Country Actions Against Drugs in 2006

¶11. Domestic Policy Initiatives. Austria continues its "no tolerance" policy against drug traffickers, who face a minimum sentence of ten years to a maximum sentence of life in prison when convicted. It also continues its policy of "therapy before punishment" for non-dealing drug offenders.

In mid-2006, Austria began drafting a series of amendments to introduce a more rigid system of fines for drug-related offenses in line with an EU framework decision to harmonize counternarcotics policies across the European Union. Following an EU Council decision on synthetic drugs (2C-I and related substances), in 2006, Austria also passed legislation, which is awaiting implementation, to bring its laws into conformity with UN agreements on psychotropic substances.

¶12. A 2005 amendment expanded police powers to mount surveillance cameras in high-crime public areas. The amended law provides for the establishment of a "protection zone" around schools, pre-schools, and retirement communities, and entitles police to ban persons suspected of drug dealing within a protection zone from that area for up to 30 days. Austrian authorities say the new law has been effective in these areas. Critics argue that the law only shifted the drug scene to non-surveilled areas. In 2005, following intense public debate, the government improved quality controls and took a more restrictive approach in substitution treatment with retarding morphine therapy. A November 2006 decree by the Austrian Health Ministry is designed to further tighten controls on dispensing substitution medications and to improve training for general practitioners and pharmacists, who prescribe and dispense this treatment.

¶13. Regional and International Cooperation. During the first half of 2006, Austria held the Presidency of the European Union and hosted several high-profile events. In May, Austria hosted over 60 heads of state for the EU-Latin America Summit and led discussions on finding joint strategies to fight drug trafficking. Fighting organized crime in the Balkans and increasing regional police cooperation were also major themes of the EU Presidency. In May, over 50 nations and international organizations, including the U.S., met in Vienna to sign the Vienna Declaration on Security Partnership,⁸ which included a

convention on police cooperation. In June, Austria convened a three-day workshop of experts from Europe, the Western Balkans, Russia, the United Nations Office of Drugs and Crime (UNODC), and the U.S., including DEA's Regional Director for Europe. The participants discussed strategies for fighting drug trafficking from Afghanistan and for policing along the Balkan route. In October 2006, Austria hosted a long-running meeting of drug trafficking experts from the EU, Central and Eastern Europe, and the U.S. to discuss measures to increase law enforcement cooperation.

¶14. Austria maintained its lead role within the EU's Central Asian Border Security Initiative (CABSI) and the VICA (Vienna Initiative on Central Asia) project, which provide funding, equipment, and technical expertise to strengthen border security and reduce trafficking of illicit goods. Austria continued to address drug trafficking and related security issues through the Salzburg Forum⁸ a recurring meeting of regional Interior Ministers from Austria, the Czech Republic, Slovakia, Poland, Hungary, and Italy. Austria worked with Italy on a project within the UNODC to reform the justice system in Afghanistan. Austria also worked on another project with the EU in UNODC to establish border control checkpoints along the Afghan-Iranian border. Austria also participates in a UNODC crop monitoring and alternative development plan in Peru. As in past years, the Austrian Interior Ministry dispatched anti-crime and drug trafficking liaison officers to over 20 Austrian embassies throughout Europe, Russia, and Ukraine, as well as in the Mediterranean, Morocco, Syria, and Lebanon. (Comment. Post is seeking to update information on the above-mentioned UNODC programs. End Comment.)

¶15. Law Enforcement Efforts and Accomplishments. Comprehensive seizure statistics for 2006 are not yet available. Statistics for 2005 show a marked increase in the quantity of cocaine and heroin seized and a slight decrease in confiscations of ecstasy pills and LSD dose units, or "hits." Police made nearly the same number of confiscations

of amphetamines and methamphetamines in 2005, but the quantities of both drugs seized during 2005 decreased. According to government figures, Austrian authorities seized 820 kilograms(kg) of cannabis products (-26.39% decrease over 2004), 282 kg of heroin (20.79%), 13 kg of raw opium, 245 kg of cocaine (224.50%), 114,103 ecstasy tablets (-6.98%), and 2,108 LSD dose units (-5.6%). Police seized 9 kg of amphetamines (-65.3%) and 0.7 kg of methamphetamines (-62.9%) and 27,104 pieces (28.3%) of pharmaceutical, psychotropic substances.

¶16. As part of an international investigation in January 2005, police in Austria made a record seizure of 143 kg of cocaine, which originated in Peru and traveled via the U.S., France, and Germany before transiting Austria. The seizure resulted in five arrests and disrupted a European drug trafficking ring. The authorities recorded two other large seizures of 30 kg and 24 kg, respectively, of cocaine in ¶2005. Austrian police made three major heroin busts at customs checkpoints and weigh stations in the country in 2005: 70 kg in February, 97 kg in July, and 68 kg in August. Austrian authorities seized 30,571 ecstasy pills in January, 15,000 in March, and 10,050 in December, which the police determined all originated from the Netherlands.

¶17. In 2005, the Austrian Ministry of Interior investigated 164 criminal cases involving precursor chemicals, an increase of 36 cases over 2004, and seized 100 grams of Category I precursors.

¶18. In 2006, average retail or street prices⁸ of illicit drugs remained basically unchanged from 2005, and were as follows: cannabis resin/hashish for euro 7.50 or \$9.50 per gram; herbal cannabis/marijuana for euro 3.50 or \$4.50 per gram; cocaine for euro 65-90 or \$82-114 per gram; brown heroin for euro 45-70 or \$57-89 per gram; white heroin for euro 80-90 or \$101-115 per gram; amphetamines for euro 7.50 or \$9.50 per gram or euro 15-25 or \$19-32 per tablet; ecstasy (MDMA) euro 10-15 or \$13-19 per tablet, and LSD euro 30-35 or \$38-44 per dose unit or "hit."

¶19. Corruption. Austria has several laws in place (e.g. the Criminal Code, Criminal Procedures Code, Law on Responsibility of Associations for Criminal Offenses), which contain provisions on corruption. In 1999, Austria became a party to the OECD anti-bribery convention and also abolished the tax deductibility of bribes and gray market payments. A 2006 report on corruption by the OECD confirms this and recommends that Austria further clarify its definition of a foreign bribery offense to ease investigations by tax authorities. There are no corruption cases pending that involve bribery of foreign public officials. The government has not yet prosecuted any cases, which would test the degree of the current law's enforcement. The U.S. government is not aware of the involvement of any high-level Austrian government officials in drug-related corruption. A November 2006 survey by the British research organization Transparency International ranked Austria as the eleventh least corrupt country out of 163 nations surveyed.

¶20. Agreements and Treaties. An extradition treaty and a mutual legal assistance treaty are in force between Austria and the U.S. The extradition treaty contains a caveat that would permit Austria to require a formal assurance prior to extradition to the U.S. that the death penalty would not be imposed or carried out. In 2004, Austria enacted legislation to implement the EU council framework decision on the European arrest warrant and the surrender procedure between member states. In 2005, the U.S. and Austria signed protocols to put into effect new provisions of the U.S.-EU Extradition and Mutual Legal Assistance Agreements. Austria is a party to the 1988 UN Drug Convention, the 1961 Single Convention on narcotic drugs and its 1972 protocol, and the 1971 UN Convention on Psychotropic Substances. Vienna is the seat of the United Nations Office on Drugs and Crime (UNODC). Austria is also a "major donor" to the UNODC, with an annual pledge of approximately \$440,000. Austria ratified the UN

Convention Against Transnational Organized Crime and its protocol against trafficking in persons in 2004. (Comment: Post is seeking to update donor figure above. End Comment.)

¶21. Cultivation. Production of illicit drugs in Austria was marginal in 2005 and 2006. Experts noted a minor rise in the private, indoor growth of cannabis, but the amounts are low by international comparison. Austria recorded no domestic cultivation of coca or opium.

¶22. Drug Flow/Transit. Austria is not a source country for illicit drugs and illicit trafficking by Austrian nationals is negligible. Foreign criminal groups primarily from Turkey, the Western Balkans, Eastern Europe, West Africa (Nigeria), and Latin America (Colombia) carry out organized drug trafficking in Austria. Based on 2005 seizures, counternarcotics officials note that traffickers continued to rely on conventional means of transportation, such as trucking, for drug smuggling. Drug traffickers are increasingly using Central and East European airports, including those in Austria.

¶23. Domestic Programs/Demand Reduction. Austrian authorities and the public view drug addiction as a disease rather than a crime. This is reflected in liberal drug abuse legislation and in court decisions. Austria held national parliamentary elections in October 2006. The new government will most likely continue the fight against organized crime and drug trafficking as a major policy goal. The government remains committed to measures to prevent the social marginalization of drug addicts. Federal guidelines ensure minimum quality standards for drug treatment facilities. The use of heroin for therapeutic purposes is generally not allowed. Demand reduction puts emphasis on primary prevention, drug treatment, counseling, and so-called "harm reduction" measures, such as needle exchange programs. According to health officials, ongoing challenges in demand reduction are the need for psychological care for drug victims and greater attention to older victims and to immigrants.

¶24. Primary prevention starts at the pre-school level and continues through secondary school, apprenticeship institutions, and out-of-school youth programs. The government and local authorities routinely sponsor educational campaigns both within and outside of educational fora. Overall, youths in danger of addiction are primary

targets of new treatment and care policies. Austria has syringe exchange programs in place for HIV prevention. HIV prevalence rate among drug-related deaths slightly increased to 8 percent in 2004, while hepatitis prevalence rates declined. Policies to work toward greater diversification in substitution treatment for drug addiction (using, for example, methadone, prolonged-action morphine, and buprenorphine) continued. Although no official data is available, both drug policy and treatment experts in Austria note an increase in the abuse of substitution medications and an increase in the availability of these medications on the local black market. Public debate continues in Austria on methods to further tighten controls on this medication and to provide training to general practitioners and pharmacists, who prescribe or dispense this medication. (Comment: Post is waiting for updated figures on HIV from the Ministry of Health. End Comment.)

¶25. Austrian health officials are also looking for new measures to increase secondary prevention awareness, especially concerning re-integration of recovering addicts into the labor market.

Part IV: U.S. Policy Initiatives and Programs

¶26. Bilateral Cooperation. Cooperation between Austrian and U.S. authorities continued to be excellent in 2006. Although Austria has no specific bilateral narcotics agreement in place with the U.S., several bilateral efforts exemplified

this cooperation. These include continuing joint DEA and BKA (Criminal Intelligence Service) training at the International Law Enforcement Academy; the drafting of a criminal asset sharing agreement between the U.S. and Austria; and continuing DEA support of BKA investigative efforts across Europe and in the Western Balkans to combat the flow of Afghan heroin. Austrian Interior Ministry officials continued to consult the FBI, DEA, and Department of Homeland Security to gain know-how on updating criminal investigation structures and techniques and to share investigative information. In June 2006, an FBI Special Agent Supervisor shared his experiences on fighting drug trafficking along the Balkan route with Austrian and EU law enforcement officials during a workshop in Vienna. The U.S. Embassy also sponsors speaking tours of U.S. counternarcotics and drug treatment experts in Austria.

¶27. In May, the Austrian EU Presidency hosted U.S. Attorney

General Alberto Gonzales and Department of Homeland Security Deputy Secretary Michael P. Jackson at a meeting of Justice and Interior Ministers from the EU and Russia. In June, Austria hosted President Bush, Secretary of State Condoleezza Rice, and other senior U.S. officials for the U.S.-EU Summit.

Increasing cooperation in the fight against terrorism, corruption, and organized crime, including drug trafficking, were central themes of these meetings.

¶28. The Road Ahead. The U.S. will continue to support Austrian efforts, both bilaterally and within the UN and the OSCE, to create more effective tools for law enforcement. This includes working closely with Austrian authorities against drug trafficking rings in Austria and collaborating with Austria to improve border controls and security efforts in the Western Balkans and Central Asia. The U.S. will continue to facilitate workshops or other meetings between U.S. and Austrian police, drug policy and treatment experts, and senior government officials. The U.S. will work closely with Austria to implement U.S.-EU initiatives and to deepen the level of law enforcement cooperation gained during the Austria EU Presidency in the fight against drug trafficking and other organized crime. Promoting a better understanding of U.S. drug policy among Austrian officials and the public remains a top priority.

MCCAW